

NEWS RELEASE

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DeNUCCI CITES CHECK IMPROPRIETIES AT MASS BAY C.C. BUT SAYS PRIOR PROBLEMS HAVE BEEN CORRECTED

State Auditor Joe DeNucci reported today that deficiencies in the check preparation process at Massachusetts Bay Community College enabled a college employee to steal almost \$4,000, as well as allowing a contractor to be paid \$10,285 for services not delivered.

However, DeNucci noted that overall, the new administration of Massachusetts Bay Community College has made considerable progress toward correcting problems that were detailed in a previous audit, including the hiring of illegal aliens by a cleaning contractor.

According to DeNucci's current audit, the college reported the check improprieties to his office in accordance with the state's Internal Controls Law. The audit found that weaknesses in the college's manual check processing system enabled a college bookkeeper to write a check for \$3,998.97 payable to herself.

The bookkeeper had informed the college's comptroller that she needed three manual checks, for which the college does not maintain an inventory, to pay vendors, when, in fact, she needed only two. The bookkeeper then wrote the third check to herself, and the college's poor controls over the disbursement process permitted the condition to go unnoticed for more than three months.

Although the college's policies require manual checks to be hand signed, the bookkeeper was able to process checks by using the finance director's signature stamp which she had taken from the comptroller's unlocked drawer. After the theft was detected by a college employee and investigated by the college, the bookkeeper resigned and paid the money back.

"This theft could have been prevented if the college had adhered to its own policy of requiring these checks to be manually signed," said DeNucci.

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The second check impropriety occurred when the college paid a contractor \$10,285 for services that had not yet been billed or delivered, which is a violation of state regulations. This happened when the college paid \$11,829 to Wellesley Trucking Service, Inc. for rubbish removal services that totaled only \$1,544. The contractor subsequently provided services equal to the excess amount billed.

College officials replied that they agreed with DeNucci's recommendations and would make every effort to implement them.

Regarding his previous audit, DeNucci reported that the new administration of the college has remedied mostly all of its prior problems. Weaknesses involving the management of trust funds and the employment of illegal aliens and violations of the prevailing wage law by a cleaning contractor have all been eliminated since the college hired a new president in April 1999. DeNucci did note that the college needs more adequate justification and documentation of travel and meal expenses. However, DeNucci said the current administration of Massachusetts Bay Community College is implementing the recommendations that he made in both his prior and current reports.

"I am pleased that Mass Bay Community College has been very responsive and cooperative in making improvements in all aspects of its financial operations," concluded DeNucci. "The college's new administration appears to be committed to following my recommendations. I look forward to continued improvement."

Massachusetts Bay Community College has campuses in Wellesley and Framingham.

